

June 16, 2014

Mr. Barry F. Mardock  
Deputy Director  
Office of Regulatory Policy  
Farm Credit Administration  
1501 Farm Credit Drive  
McLean, VA 22102-5090

RE: FCA's Proposed Rule Regarding Standards of Conduct

Dear Mr. Mardock:

Thank you for the opportunity to comment on FCA's recent proposed rule regarding Standards of Conduct. While I have numerous concerns with the rule as proposed by FCA, I will focus my comments on the Conflict of Interest Section. I believe that Standards of Conduct must be strong for the integrity of the Associations and all entities that make up the Farm Credit System; however, the proposed rule unreasonably interferes with the director's ability to run his own farming or ranching business. This burdensome and inappropriate interference threatens the cooperative model that goes to the core of the Farm Credit System's success. It would appear that FCA has designed and put forth this proposed rule with the goal of discouraging active farmers from running for or serving on the board of a Farm Credit institution. It is unacceptable, makes no sense, and needs to be corrected.

Our operation consists of a 200 head beef cow herd, 4,000 acres of wheat, about 5,000 acres of grass and, in a normal year with adequate pasture, we run around 800 head of stocker cattle. Like all farmers, we routinely do business with other farmers and the transactions are numerous. Some of these transactions involve custom spraying, custom hay baling, hauling, custom seeding, rent of farmland, etc. We do a considerable amount of custom spraying for other farmers in our area and, for the most part, do not know if these farmers are Farm Credit customers. If the proposed rule is adopted as put forth by FCA, the wasted time for me and the association in reporting and shuffling paperwork would be completely unacceptable and would not have any impact on conflict of interest.

As a director, I find the transaction disclosure requirements in the Conflicts of Interest section of the proposed rule to be unduly burdensome, unnecessary and inappropriate. I do not have a role in approving individual loans or the terms of individual loans. It is unreasonable for me to be put in a position of having to know whether I am doing business with an association customer or not.



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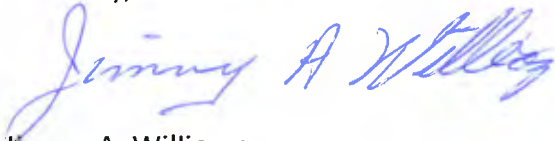
I routinely have business transactions with a wide variety of individuals, some of whom might be association customers. Even in instances when I know I'm dealing with an association customer, there is no conflict of interest since I have no role in making individual loan decisions.

The proposed disclosure requirements would require me to report and obtain pre-approval of transactions within my farming operation. This is an unrealistic burden to place on directors with no corresponding benefit.

I urge the FCA to substantially revise the proposed rule and put it forward again for comments or consider withdrawing it altogether. As drafted it is counterproductive, creating inappropriate, unreasonable standards that are inconsistent with modern farming operations.

In addition, I would like to add my support and endorsement of the comment letter submitted by CoBank and the comments to be submitted by the Farm Credit Council. Thank you for your consideration.

Sincerely,



Jimmy A. Williams  
Vice Chairman  
Board of Directors